



Overview of the Office

Providing sound reliable information and alternatives helps the Commonwealth's leaders address the challenges facing Virginia today. The Office of the Auditor of Public Accounts serves as the General Assembly's eyes and ears, monitoring and reporting how state agencies and institutions spend taxpayers' money.

As the Commonwealth's Board of Directors, the General Assembly directs the work of the Auditor's Office, either through specific study language or through an annually approved work plan.

General Assembly members can also request technical assistance from the Auditor's Office in understanding the financial operations of the Commonwealth and its localities.

The bottom line . . . the Auditor's Office is here to meet your needs and those of your constituents.

More than Just Audit, the Auditor's Office ...

- Created and provides ongoing support for **Commonwealth Data Point**, an online resource showing where and how the Commonwealth spends its funds.
- Monitors major IT projects and contracts, which gives the General Assembly the opportunity to measure their progress and determine when they need adjustment.
- Provides technology-related vulnerability and penetration testing services when requested.
- Works with local, agency and institutional internal auditors investigating frauds and disposing of these cases.
- Reviews the entire court system from the Supreme Court of Virginia to every local court.
- Examines the state accounts and records of every locality handling state funds at least once every two years.
- Maintains oversight responsibility for local government audits performed by public accounting firms.

Our Reports Hit the Issues

Our reports regularly provide process and policy change recommendations through which the Commonwealth could avoid costs or enhance their fiscal management of agency programs. The following bullets highlight the results of just a few such reports issued in the past year which:

Commonwealth Cell Phone Study,
Potential Savings in Wireless Expenses

Accounts Receivables and
Disbursement Processes, *Reports
Recommend Opportunities for Saving*

Transportation's Asset Management
System, *Infrastructure Maintenance*

*Funding Decisions Could Benefit from
this Information*

VITA and the Northrup Grumman
Partnership, *Addressing Issues in
Prior Audits, but Facing Others*

E-911 Board May Face Cash Flow
Problems, *and Other Issues in the
Coming Year*

Virginia Gas and Oil Board,
*Opportunities Exist to Improve Escrow
Accounting*

These and any other report issued by
the Auditor's Office can be found on
our website,

www.apa.virginia.gov

Flexible Enough to Focus on Immediate Needs

While the Auditor develops an annual work plan, encompassing both mandated and risk based projects, the Office remains fluid enough to address emerging issues as they arise.

Investigation and disposition of fraud took center stage in the past year, with our audits disclosing embezzlements and improper handling of funds totaling over \$10.4 million.

These and many other cost saving and operational enhancements identified by the Auditor's Office during the 2011 work plan year are summarized in our 2011 Annual Report to the General Assembly, which is available on our website at the following link: <http://www.apa.virginia.gov/reports/APAAAnnualReport11.pdf>

Structure and Funding

The Auditor of Public Accounts is a constitutional officer, serving as the external auditor for all state entities of the Commonwealth much like a corporation's CPA firm. In many respects, the Auditor's Office operates like a CPA firm, with the Auditor serving as the managing partner.

The General Assembly elects the Auditor to serve a four-year term and the Auditor reports to the General Assembly through the Joint Legislative Audit and Review Commission (JLARC).

Virginia's Constitution and the Code of Virginia define the Auditor's duties. This structure provides independence from the agencies and institutions audited.

The Auditor's Office receives about 90% of its funding from the General Fund of the Commonwealth with the remaining 10% resulting from billings for federal audit work. Additionally, the Auditor bills and directly deposits into the General Fund over \$500,000 annually for local court audits.

What is our Relationship to JLARC?

As noted earlier, the Auditor reports to the General Assembly through JLARC. As a result, JLARC is responsible for approving the Auditor's Annual Work Plan.

Typically presented at JLARC's May meeting, the work plan sets out our mandated audit activities and highlights the special reviews the Auditor's Office will perform in the coming year.

At the same meeting, the Auditor will also seek JLARC's approval for any modifications to the Office's staffing and salary levels.

Further, as requested, the Auditor's Office will work with or provide support to JLARC's staff in the execution of their economy, efficiency, and program results reviews.

What Do We Typically Do?

The first part of our year predominantly focuses on addressing Code of Virginia and federally mandated audits such as the Commonwealth's Comprehensive Annual Financial Report (CAFR), the Statewide Single Audit, and numerous other operational and financial statement audits.

In order to increase audit efficiency and cover the greatest number of agencies and institutions not mandated for review, the Auditor completes a risk assessment of the agencies and institutions as well as key issues facing the Commonwealth. Based on this assessment, projects will be selected for completion within the confines of our available resources.

Most non-mandated audits are designed to ensure an agency has internal controls in place to protect the public's money and that they spend it the way the General Assembly planned. We also evaluate agency and institutional compliance with significant state and federal laws and regulations.

The Office's remaining resources are dedicated to special projects focused on emerging issues that may require General Assembly consideration or action.

Need Information or Technical Assistance?

Whether its for you or your constituents, simply call or e-mail the Auditor directly with your question or request.

Depending on the nature of your inquiry, we often have the information you need readily at hand. However, if your inquiry will require substantial time, we will

request you provide it in writing and may ask for the approval of JLARC to change our work plan.

Typically, we are able to respond within 24 to 48 hours for 99 percent of the inquiries we receive.

Our Staff

From CPA's to MBA's, our staff hold over twenty different types of professional certifications and are actively involved in relevant local and national professional organizations such as the National Association of State Auditors, Comptrollers, and Treasurers.

Specialization

To ensure the Auditor's Office is qualified to meet its mission, the Auditor has divided the organization into eleven specialty teams, each trained in the specific skill sets needed to perform their assignments. Areas of specialization include:

- Acquisition and Contract Management
- Budgeting and Performance Management
- Capital Asset Management
- Data Analysis
- Financial Management
- Higher Education Programs
- Human Services Management
- IT Systems Development
- IT Systems Security
- Judicial Systems
- Reporting and Standards